

ALVIN A. JAEGER
SECRETARY OF STATE

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SECRETARY OF STATE
STATE OF NORTH DAKOTA
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January 8, 2021

**TO: Representative David Monson, Chairman, and Members of the Education and Environment
Division of the House Appropriations Committee**

FR: Al Jaeger, Secretary of State

RE: HB 1002 – Appropriation for Office of Secretary of State

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Agency Audit Findings

2018 Operational Audit had no findings.

Agency Major Accomplishments

1. Enhanced agency website, which received more than 1.5 million-page views over the 12-month period ending June 30, 2020, which is the same number of views from the same 12-month period two years prior.
2. Continued use of the North Dakota Central Indexing System (NDCIS), which was launched on March 1, 2016. All central indexing filings and searches are now completed online and all reports from the lending community of the state indicate the system is greatly appreciated.

The NDCIS received 873,942 page views over the 12-month period ending June 30, 2020.

3. Continued to enhance the agency's Election Management System (EMS), which provides election information on the agency's website about elections, candidates, campaign contributions, voter precinct finder, polling location details, and the reporting of election night returns. It also assists in the administration of petition review, poll worker tracking, voting statistics reporting, and early and absentee voting.

Completed an enhancement to the state's EMS that guides a candidate through the process of completing and filing the necessary paperwork to run for public office. When the questions are answered by the candidate, the necessary forms are generated, which can then be submitted electronically or sent to the Secretary of State's office via US Mail.

4. Continued to enhance the Central Voter File used by the SOS office and the counties to update voter records for address and name changes upon receipt of notices from the DOT and the courts, and death notices from vital statistics, issue and track absentee ballots, allow for the efficient management of early voting precincts, and to expedite the voting process on election day.
5. Continued to be ranked as one of the top states for election administration by The PEW Charitable Trusts and the Massachusetts Institute of Technology in the Election Performance Index that has been conducted since it was first launched in 2008 and ranked number one five times during the past six election cycles.
6. Continued to enhance election applications accessible from Vote.ND.Gov to make them web responsive so that they format appropriately depending on the size of the computer, laptop, tablet, or smartphone being used to access them.

Vote.ND.Gov continues to be a popular website for voters, candidates, political parties, and political organizations. The site received 328,919 page views over the 12-month period ending June 30, 2020 during which there has only been one statewide election.

7. Our digital and social campaigns reached 462,916 voters in the two months leading up to the general election along with the facts that our:
 - a. Click rates were 20% higher than the national average.
 - b. Video views were 33% higher than the national average.
8. Purchased and implemented a new statewide voting system from Election Systems and Software (ES&S) and an electronic pollbook system from KNOWiNK.

9. Maintained the necessary security clearances for Secretary Jaeger, Deputy Secretary Jim Silrum, and State Elections Director Brian Newby to receive cybersecurity updates and notices from the Department of Homeland Security (DHS), FBI, and other agencies responsible for cybersecurity to protect our elections infrastructure, which has now been classified by DHS as critical infrastructure.
10. A settlement was reached for the two voter ID lawsuits in which the state has been engaged since January of 2016.
11. Administrative Rules for the tribal IDs for voting were promulgated making it clear what constitutes a valid tribal ID as well as several other features making it easier for Native Americans to vote.
12. Neared completion of the FirstStop software system through which most of the office functions will be handled and available to the customers of our office in an online environment. The system will handle such things as registering new businesses for operation in the state, the filing of the various amendments and annual reports of these businesses, the licensing of occupations such as contractors and home inspectors, issuing and maintaining notary commissions, registering and regulating the activity of lobbyists, registering charitable organizations and professional fundraisers, and providing lists, subscriptions, and information that is available to the public.
13. Administrative Rules were promulgated to enable the business entity known as Series Limited Liability Company that allows an LLC to further limit the exposure of liability of assets by forming "child" entities that are separate from the "parent" Series LLC and other "children" of the same.
14. Amended Administrative Rules for combative sports effective October 1, 2020.

Agency Future Critical Issues

In the statistical data section of the program narrative, the data reveals that since 1995-97 and through the 2017-19 biennium, the agency's revenue has steadily increased. The increased revenue relates to the increase in the number of registrations, filings, and increased demand for the services provided by the agency. To respond to this increased demand, the agency is substantially dependent on the use of information technology (e.g., software, hardware, Internet, etc.), which it uses to provide the timely, accurate, and efficient services expected by the public, businesses, and customers of the agency.

To provide services in a cost effective and efficient manner for the public, it is vitally important that the agency receive support for technology initiatives and maintains its current FTE authorization to handle the increase in workload.

Business in North Dakota begins with the Secretary of State's office, with business formation documents being filed with the office. The agency has a key role in the state's e-government initiatives making it imperative the agency has adequate funding and support to implement the appropriate technology to meet these goals and provide services the public is requesting.

The Secretary of State's office continues to encounter challenges with adequate FTEs and the ability to offer competitive salaries. The agency needs to offer competitive salaries to address compression issues and pay competitive salaries for agency staff.

The Secretary of State's office fully supports a comprehensive e-government structure because of the efficiencies it will bring to the residents and businesses in North Dakota as well as to government. For this to occur, the state needs to make this a critical initiative and our office is ready to assist.

Secretary of State Operations

Explanation of Program Costs

For the 2019-2021 biennium, the appropriated salary line represented approximately 84 percent of the agency's total general fund spending authority.

The appropriated operating line for 2019-2021 represented approximately 11 percent of the agency's total general fund spending authority. Of that amount, approximately 12 percent of the general fund operating line was budgeted for the agency's data processing and the remaining 88 percent is spread among other object code categories and supports the general operations of the agency. Those budget object codes include telecommunications, travel, mailing services, professional development, fees and services, repairs and maintenance of equipment, insurance, office supplies, printing, professional supplies and materials, and miscellaneous expenses.

The agency also has a general service fund, which is the retail account for information sold by the agency.

Extensive technology is used by the agency to increase productivity, provide better and faster services for the public, and to maintain many thousands of records associated with approximately 100 diverse and varied categories that relate to the duties of the agency. For example:

1. The agency's budget supports the statewide Central Indexing System (CIS), which includes approximately 350,000 files. On March 1, 2016, the North Dakota Central Indexing System (NDCIS) was launched allowing all filings related to various personal property liens to be completed electronically online. The budget supports the ongoing costs and maintenance of the NDCIS.
2. The agency's budget supports FirstStop, which is a database of approximately 265,000 names for approximately 100 diverse and varied categories related to the duties of the agency and for associated expenses such as programming.
3. The agency's budget supports an Internet web site and covers associated expenses.
4. The agency's budget supports the state's Central Voter File, ND Voting Information and Centralized Election Systems, electronic pollbooks, and a separate website dedicated to voting and election information. These systems maintain critical information of all of the state's residents, allows them access to voting, and is used extensively by all 53 counties.

Public Printing

The agency distributes the publications to elected officials, legislators, legislative council, state agencies, county agencies, judicial system, and libraries as prescribed by law.

Explanation of Program Costs

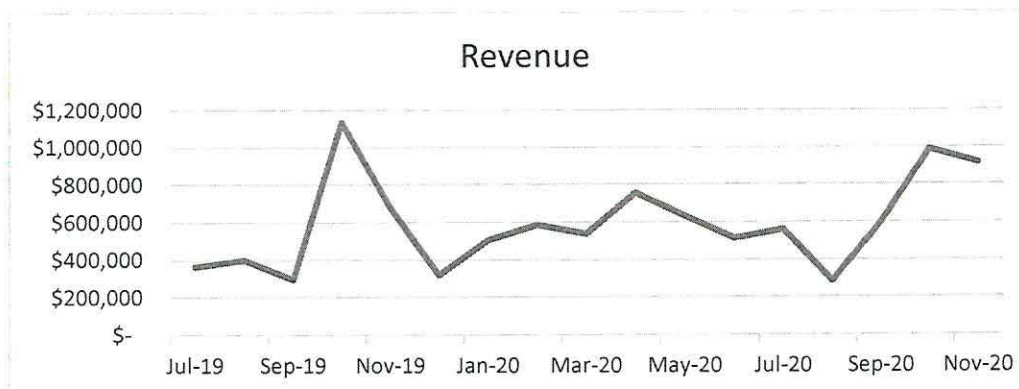
Under state law, the agency is responsible for the distribution of publications known as "public printing" that includes the North Dakota Century Code, the North Dakota Administrative Rules, Session Law Books, etc. Although the appropriation to cover the cost of publishing and distribution is included in the agency's budget, it is based on a recommendation from the Legislative Council, which has the legal responsibility for preparing, supervising, contracting, and communicating with the various publishers and vendors regarding these publications. The major portion of the appropriation is directly related to the cost of printing the North Dakota Century Code, Session Laws, and the North Dakota Administrative Code. The remaining portion of the appropriation is used by the agency to cover costs related to programming database records, shipping, mailing, supplies, etc.

Based on the letters from the Legislative Council at the end of this testimony, the budget requested by the agency and recommended by the Governor for \$257,931 is adequate.

2019/2021 Biennium - General Fund Revenue

November 30, 2020 - 29.17% Biennium Remaining

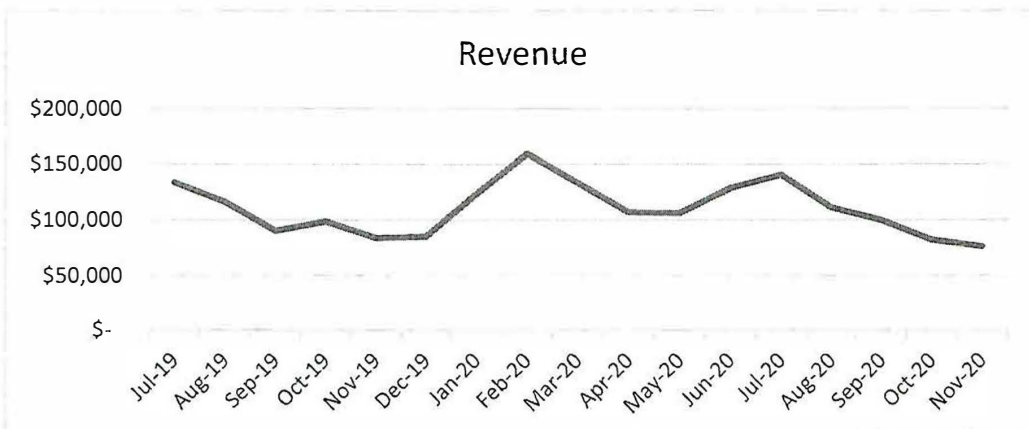
	Revenue	Monthly Average Revenue Per Budget	Monthly Accumulative Revenue Total	Accumulative Monthly Budget	(Under) Over Budget
Date	Revenue	\$ 12,500,000			
Jul-19	\$ 361,958	\$ 520,833	\$ 361,958	\$ 520,833	\$ (158,876)
Aug-19	\$ 398,407	\$ 520,833	\$ 760,364	\$ 1,041,667	\$ (281,302)
Sep-19	\$ 294,621	\$ 520,833	\$ 1,054,986	\$ 1,562,500	\$ (507,514)
Oct-19	\$ 1,134,136	\$ 520,833	\$ 2,189,122	\$ 2,083,333	\$ 105,788
Nov-19	\$ 674,569	\$ 520,833	\$ 2,863,691	\$ 2,604,167	\$ 259,524
Dec-19	\$ 318,870	\$ 520,833	\$ 3,182,560	\$ 3,125,000	\$ 57,560
Jan-20	\$ 504,127	\$ 520,833	\$ 3,686,688	\$ 3,645,833	\$ 40,854
Feb-20	\$ 583,858	\$ 520,833	\$ 4,270,546	\$ 4,166,667	\$ 103,879
Mar-20	\$ 537,181	\$ 520,833	\$ 4,807,727	\$ 4,687,500	\$ 120,227
Apr-20	\$ 754,240	\$ 520,833	\$ 5,561,966	\$ 5,208,333	\$ 353,633
May-20	\$ 630,485	\$ 520,833	\$ 6,192,451	\$ 5,729,167	\$ 463,285
Jun-20	\$ 512,258	\$ 520,833	\$ 6,704,709	\$ 6,250,000	\$ 454,709
Jul-20	\$ 558,909	\$ 520,833	\$ 7,263,618	\$ 6,770,833	\$ 492,785
Aug-20	\$ 285,654	\$ 520,833	\$ 7,549,273	\$ 7,291,667	\$ 257,606
Sep-20	\$ 595,592	\$ 520,833	\$ 8,144,864	\$ 7,812,500	\$ 332,364
Oct-20	\$ 986,851	\$ 520,833	\$ 9,131,715	\$ 8,333,333	\$ 798,382
Nov-20	\$ 915,481	\$ 520,833	\$ 10,047,196	\$ 8,854,167	\$ 1,193,030



2019/2021 Biennium - General Services Revenue

November 30, 2020 - 29.17% Biennium Remaining

	Revenue	Monthly Average Revenue Per Budget	Monthly Accumulative Revenue Total	Accumulative Monthly Budget	(Under) Over Budget
Date	Revenue	1,500,000			
Jul-19	\$ 133,488	\$ 62,500	\$ 133,488	\$ 62,500	\$ 70,988
Aug-19	\$ 115,833	\$ 62,500	\$ 249,321	\$ 125,000	\$ 124,321
Sep-19	\$ 89,978	\$ 62,500	\$ 339,298	\$ 187,500	\$ 151,798
Oct-19	\$ 98,418	\$ 62,500	\$ 437,716	\$ 250,000	\$ 187,716
Nov-19	\$ 83,775	\$ 62,500	\$ 521,491	\$ 312,500	\$ 208,991
Dec-19	\$ 85,033	\$ 62,500	\$ 606,523	\$ 375,000	\$ 231,523
Jan-20	\$ 123,050	\$ 62,500	\$ 729,573	\$ 437,500	\$ 292,073
Feb-20	\$ 159,462	\$ 62,500	\$ 889,035	\$ 500,000	\$ 389,035
Mar-20	\$ 133,130	\$ 62,500	\$ 1,022,165	\$ 562,500	\$ 459,665
Apr-20	\$ 106,662	\$ 62,500	\$ 1,128,827	\$ 625,000	\$ 503,827
May-20	\$ 105,948	\$ 62,500	\$ 1,234,775	\$ 687,500	\$ 547,275
Jun-20	\$ 128,513	\$ 62,500	\$ 1,363,287	\$ 750,000	\$ 613,287
Jul-20	\$ 140,526	\$ 62,500	\$ 1,503,813	\$ 812,500	\$ 691,313
Aug-20	\$ 110,891	\$ 62,500	\$ 1,614,704	\$ 875,000	\$ 739,704
Sep-20	\$ 99,589	\$ 62,500	\$ 1,714,293	\$ 937,500	\$ 776,793
Oct-20	\$ 82,156	\$ 62,500	\$ 1,796,449	\$ 1,000,000	\$ 796,449
Nov-20	\$ 76,076	\$ 62,500	\$ 1,872,525	\$ 1,062,500	\$ 810,025



Comparison of Agency's Request/Recommendation Totals

	2019-2021 Biennium	2021-2023 Executive Recommendation	Incr(Decr)
By Major Program			
Secretary of State Operations	7,995,679	8,336,411	340,732
Public Printing Leg Law Books	257,278	257,931	653
Federal Election Reform	1,601,747	4,701,119	3,099,372
Total Major Programs	9,854,704	13,295,461	3,440,757
By Line item			
Salaries and Wages	4,978,126	5,417,802	439,676
Operating Expenses	3,009,553	2,910,609	(98,944)
Petition Review	8,000	8,000	-
Election Reform	1,601,747	4,701,119	3,099,372
Public Printing	257,278	257,931	653
Total Line Items	1,867,025	13,295,461	3,440,757
By Funding Source			
General Funds	5,623,063	5,702,347	79,284
Federal Funds		3,204,330	3,204,330
Special Funds	4,231,641	4,388,784	157,143
Total Funding Source	9,854,704	13,295,461	3,440,757
FTE	32	32	-

By Major Program

Secretary of State Operations..... \$ 8,336,411
 (General Fund - \$ 5,444,416; Special Fund 2,891,995)

Public Printing..... \$ 257,931
 (General Fund - \$ 257,931)

Federal Election Reform..... \$ 4,701,119
 (Federal Fund - \$ 3,204,330; Special Fund 1,496,789)

Agency's 10% Budget reduction and 5% Budget reprioritization submitted to Governor.

Operating:
Travel.....\$40,000
Office Supplies\$3,389
Postage\$150,000
Office Equip & Furniture Supplies\$37,000
IT –Data Processing\$74,736
IT – Communications\$61,600
Professional Development\$20,000
Operating Fees and Services.....\$26,500
Fees – Professional Services.....\$123,353
(General Fund \$ 536,578;)

Public Printing.....\$ 25,728
(General Fund \$ 25,728)

IT – Contractual Services and Repairs - Decrease.....\$211,582
Operating Fees and Service - Increase\$211,582

Total 10% reduction\$ 562,306
Total 5% reprioritization.....\$211,582

(General Fund \$562,306; Special Fund \$ 211,582)

Agency's requested Optional Adjustments compared to the Governor's recommendation.

Optional Request # 1 Operating Line

Secretary of State Request.....\$ 536,578
(General Fund - \$ 536,578)

Governor Recommendation.....\$ 281,153

Agency Request

Restore the Agency's request for \$536,578 for the General Fund and the associated spending authority. When removing budget reductions from the operational costs, the result is a reduction of 83% for general fund operating line.

Optional Request # 2 Increase Special Fund Authority

Secretary of State Request\$ 746,578
(Special Fund \$ 746,578)

Governor Recommendation.....\$ 0.00

Agency Request

Non approval of the \$536,578 for the General Fund would reduce all but 17% of the operating line for general office operations. The remaining amount for office operating expenses will need to be covered by the General Services Fund. The additional \$210,000 is to cover ongoing maintenance costs for the new business and licensing system technology project (FirstStop) deployed January 2019.

Optional Request # 3 Election Reform

Secretary of State Request for FTE\$ 121,865
(Federal Fund \$ 121,865)

Governor Recommendation\$ 0.00
(General Fund \$ 0.00)

Agency Request

Currently is a full-time temporary employee and the agency is requesting it be authorized as an FTE position.

Optional Request # 4 Election Reform Federal Funds

Secretary of State Request\$ 3,000,000
(Federal Fund \$ 3,000,000)

Governor Recommendation\$ 3,000,000
(Federal Fund \$ 3,000,000)

Agency Request

Federal Fund to align with available election reform funding.

Optional Request # 5 Increase Special Fund Authority

Secretary of State Request
Temporary Salaries and Benefits\$ 150,000
(Special Fund \$ 150,000)

Governor Recommendation\$150,000
(Special Fund \$150,000)

Agency Request

Due to continued upward demand for service, increase the Agency's salaries line \$150,00 for the Special Fund and the associated spending authority.

Other Agency Requests Recommended by the Governor

Request # 1 – The Governor recommended a salary adjustment for the Secretary of State.

SECTION 2. ONE TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Voting System and E-Poll Books	\$ 11,200,000	\$ 0
Total General Fund	\$ 0	\$ 0

SECTION 3. AMENDMENT. SALARY OF SECRETARY OF STATE. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

The annual salary of the secretary of state is ~~and one hundred ten thousand five hundred eighty-two dollars through June 30, 2020 and one hundred twelve thousand seven hundred ninety-four dollars through June 30, 2022~~ and one hundred fifteen thousand fifty dollars thereafter.

SECTION 4. EXEMPTION – TECHNOLOGY PROJECT. Any unexpended funds from the technology project in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws is not subject to the provisions of section 54-44.1.11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2021 and ending June 30, 2023.

Secretary of State
Change Request to Executive Budget

Request # 1

In Optional Request # 2, the amount requested was \$746,578 in the General Services Fund spending authority, which was to cover the \$576,578 requested in Optional Request # 1, if it was not recommended by Governor (the Governor recommended \$281,153), plus \$210,000.

Therefore, based on the Executive Recommendation, the agency requests increased spending authority of \$465,425 for the General Services Fund. This is the difference between the original request of \$576,578 and what the Governor recommended, plus the \$210,000 requested in Optional Request # 2. The spending authority is needed cover the costs related to hosting, maintenance, updates, and enhancements of the new business and licensing system technology project (FirstStop) deployed in January of 2019 and the Central Indexing System deployed in 2016. These expenditures are as authorized last session in N.D.C.C. § 54-09-11-(4). That is, "Fees collected by the secretary of state under this section may be used for the programming and maintenance of information technology systems administered by the secretary of state."

Request # 2

In Optional Request # 3, the agency requested the addition of one FTE, which the Governor did not recommend. This position is essential to the maintenance of the Central Voter File. It has existed for several years and has been and is currently filled by a full-time temporary employee, who is paid with federal funds. Because of its importance, the agency is requesting the addition of one FTE in the amount of \$121,865.

Update on One Time Request Funding for 2019/2021 biennium

Secretary of State Request

Statewide Voting System and Electronic Pollbooks.....\$12,000,000
(General Fund \$9,000,000; Federal Fund \$3,000,000 (already received))

Governor Recommendation.....\$11,000,000

(From Special Funds \$8,000,000; Federal Fund \$3,000,000 - already received)

SECTION 6. SPECIAL FUNDS TRANSFER – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The less estimated income line item in section 1 of this Act includes the sum of \$8,000,000, or so much of the sum as may be necessary, from the strategic investment and improvements fund which may be transferred at the direction of the secretary of state for a statewide voting system and e-poll book projects during the biennium beginning July 1, 2019 and ending June 30, 2021.

The new voting system was purchased from Election Systems and Software and deployed to the state's 53 counties in 2019. The electronic pollbooks were purchased from KNOWiNK in 2019 and deployed to the counties in 2020. Both systems were used in the 2020 election cycle and were of incredible value as the elections needed to be run during the pandemic. Administering the elections in 2020 were successful because of the new equipment.

Coronavirus (COVID-19) Pandemic

Coronavirus Relief Funds CRF) – OMB

The agency received \$ 49,216.16. The funds were expensed on salaries: overtime for elections and managers and operating for masks, cleaning supplies and wellness barriers for customer service areas.

Coronavirus Aid, Relief and Economic Security Act Funds (CARES) – Election Assistance Commission

The agency received \$ 3,000,000, funds were expensed on items and services that made voting possible during a pandemic. For example, with the anticipated increase in the number of absentee ballots that would be submitted because voters might not want to go to a polling place to vote, extra central count tabulators were purchased for our larger population counties. Single use pens were purchased for the protection of those voters who did vote in person. And an ad campaign was funded with the intent of informing voters of their voting options during the pandemic.

Agency Performance Measures

Although the Secretary of State's office does not have a formal written program, the agency's management team and unit leads have access to various processes for tracking productivity, effectiveness, efficiency, quality of customer service, and compliance with laws. It is anticipated the statistical tracking of information will be improved with the agency's migration to a new database and document processing platform, for which funding was approved in a previous biennium.

Agency Statutory Authority

ND Constitution Article V, Section 12; North Dakota Century Code Title 10 and Title 16.1; North Dakota Century Code Chapters 15.02, 35-01, 35-05, 35-17, 35-21, 35-29, 35-30, 35-31, 41-09, 43-07, 44-06, 45-10, 45-10.1, 45-11, 45-22, 45-23, 47-22, 47-25, 50-22, 53-01, 54-05.1, 54-09, 54-16, and 55-01.

Agency Description

The Secretary of State's office is the office of record for certain legal documents generated by the executive and legislative branches of state government; public records and notices including various business entities; and performs a wide range of licensing, regulatory, registration, and administrative functions within five operating units. The agency performs these functions in accordance with the requirements of the state's constitution and laws.

Agency Mission Statement

The office will:

- Serve the people of the State of North Dakota and its guests;
- Execute with integrity the duties required by the North Dakota Constitution and the North Dakota Century Code;
- Collect and preserving the records of the State as defined by the law; and
- Act as an ambassador for the State of North Dakota, its people, and its way of life.

This mission will be dispatched effectively, efficiently, expeditiously, courteously, and with financial responsibility.

Program Statistical Data

History of Revenue and Expenditures for the past ten budget cycles

Revenue

- 2001/2003 \$6,277,698 (general \$5,869,160; * special \$371,868) increased 5.5percent over previous biennium.
- 2003/2005 \$6,716,245 (general \$6,289,108, * special \$401,305) increased 7.0percent over previous biennium.
- 2005/2007 \$7,289,015 (general \$6,815,185, * special \$454,445) increased 8.5percent over previous biennium.
- 2007/2009 \$7,949,077 (general \$7,432,582, * special \$516,495) increased 9.1percent over previous biennium.
- 2009/2011 \$9,058,760 (general \$8,543,052, * special \$515,708) increased 14percent over previous biennium.
- 2011/2013 \$12,384,546 (general \$11,782,731, * special \$601,815) increased 36.7percent over previous biennium.
- 2013/2015 \$12,917,111 (general \$12,252,412, * special \$664,699) increased 4.3percent over previous biennium.
- 2015/2017 \$14,104,318 (general \$12,486,458, *special \$1,617,861) increased 9.2percent over previous biennium.
- 2017/2019 \$ 14,107,425 (general \$ 12,248,194, * special \$ 1,859,231 increased 0.2percent over previous biennium.
- 2019/2021 Estimated: \$ 14,000,000 (Estimated: general \$12,500,000, * special \$1,500,000)

Expenditures

- 2001/2003 - \$3,961,253 increased 11.7percent over previous biennium (see note # 1)
- 2003/2005 - \$4,146,332 increased 4.7percent over previous biennium
- 2005/2007 - \$4,536,178 increased 9.4percent over previous biennium (see note # 2)
- 2007/2009 - \$5,666,247 increased 24.9percent over previous biennium (see note #3)
- 2009/2011 - \$6,168,973 increased 8.9percent over previous biennium (see note #4)
- 2011/2013 - \$8,383,125 increased 35.9percent over previous biennium (see note #5)
- 2013/2015 - \$9,018,517 increased 7.58percent over previous biennium (see note #6)
- 2015/2017 - \$8,340,716 decreased 7.52percent over previous biennium (see note #7)
- 2017/2019 - \$7,370,635 decreased 11.63percent over previous biennium (see note #8)

Note 1: ITD again reallocated costs related to the statewide area network resulting in another \$175,000 increase added to the agency's budget.

Note 2: The expenditures included a one-time amount of \$125,000 for migration of database.

Note 3: The expenditures included a one-time amount of \$825,000 for migration of database.

Note 4: The expenditures included a one-time amount of \$702,000 for migration of database (One-time funding was \$780,000 total, we requested \$78,000 in carryover to 11-13 Biennium).

Note 5: The expenditures included one-time amounts of \$3,500,000 for migration of database and \$43,039 for online public meeting system. In addition, the one-time funding carryover of \$78,000 for migration of database. (We requested \$1,351,035 in carryover to 13-15 for migration of database).

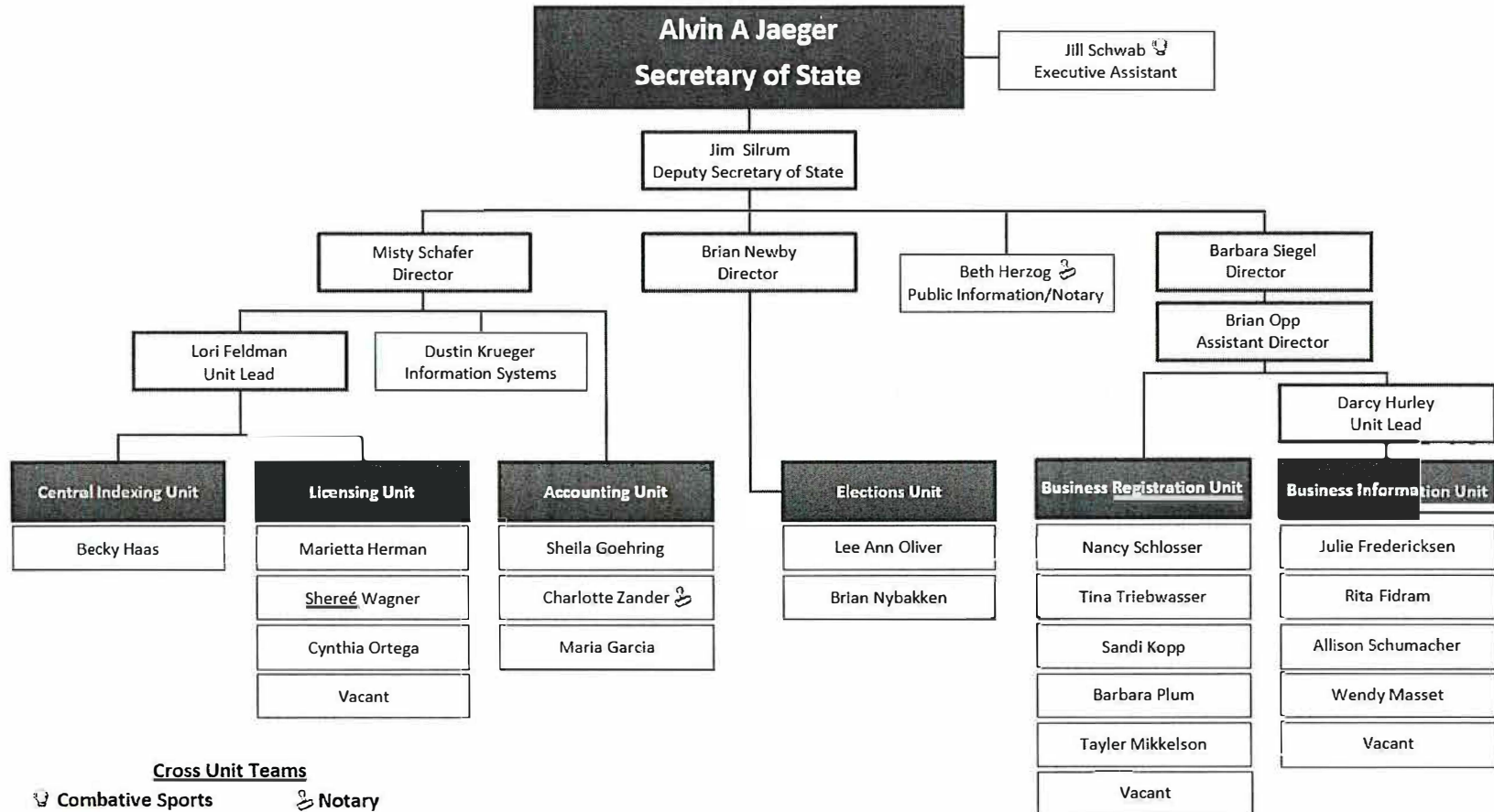
Note 6: The expenditures included one-time amounts of \$2,048,352 for migration of database and \$109,794 for business process mapping project. (We requested carryover to 15-17 for the remaining migration of database and business process mapping).

Note 7: The expenditures for IT data processing decreased by \$727,796 from the 13-15 biennium to the 15-17 biennium.

Note 8: The expenditures for IT data processing decreased by \$286,553, IT contractual services decreased by \$363,651, printing decreased by \$136,701 and salaries and wages decreased by \$396,040 from the 15-17 biennium to the 17-19 biennium.

**North Dakota Secretary of State
Staff Organizational Chart**

Updated November 2020





North Dakota Legislative Council

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August 4, 2020

Honorable Alvin A. Jaeger
Secretary of State
State Capitol
Bismarck, ND 58505

Dear Mr. Jaeger:

As you know, the Legislative Council is responsible for preparing the material for and supervising the publication of the North Dakota Century Code, North Dakota Administrative Code, and North Dakota Session Laws. The purpose of this letter is to notify you of the estimated costs for the 2021-23 biennium so you can include a sufficient amount in your budget request for these purposes.

During the 2019-21 biennium, cost estimates for Century Code purchases in your budget were based on the state maintaining 550 sets of the code. Your staff has not advised us to change the number of sets needed, so we are basing our estimates on 550 code sets for the 2021-23 biennium.

During the 2021-23 biennium, we have tentatively identified Volumes 2A, 2C, 6, 8A, and 10B of Century Code for replacement. These replacement volumes must be published to avoid increased costs for supplements and the eventual need to replace the entire Century Code. Replacement of volumes also makes the Century Code more easily usable for the public. The Court Rules Annotated volume is published in a softbound volume that must be replaced each biennium. Based on cost estimates furnished by LexisNexis, \$141,487.50 will be needed to purchase 550 sets of replacement Volumes 2A, 2C, 6, 8A, and 10B and \$45,375 will be needed to purchase 550 sets of the Court Rules Annotated volume and two supplements to that volume.

Based on LexisNexis estimates, \$98,450 will be needed to purchase 550 sets of the 2021 pocket supplements, and \$37,262.50 will be needed to purchase 550 sets of the 2021 general index.

The estimated costs for Century Code updates for the 2021-23 biennium total \$322,575. In the letter (copy enclosed) of estimated costs from Ms. Leslie Metheney, Director, Government Content Acquisition, LexisNexis, it is stated that LexisNexis offers state government subscribers a 25 percent discount. Application of this discount will reduce estimated expenditures for 2021-23 Century Code updates to \$241,931.

The Legislative Assembly passed House Bill No. 1422 (2019), which replaced the CD-ROM publication of the Administrative Code with an electronic notification process, therefore eliminating any preparation and distribution costs for the Administrative Code.

We estimate that \$16,000 will be required to cover printing, binding, and mailing costs for the 2021 North Dakota Session Laws.

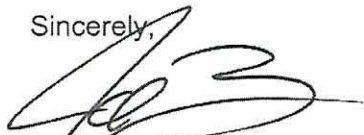
We respectfully suggest that you include \$257,931 in your budget request for the 2021-23 biennium for publication and printing costs for the North Dakota Century Code and North Dakota Session Laws and

postage and mailing costs for the Session Laws. This is a .25 percent increase from the comparable amount we recommended for these expenses for the 2019-21 biennium.

We are not in a position to make any suggestions regarding the other costs that must be included in the public printing line item of your budget, including the costs of individual volumes to update old sets of Century Code, the new sets of Century Code required for new members of the Legislative Assembly, and postage and mailing costs for Century Code. Therefore, those costs are not included in our estimates.

Thank you for your attention to these matters. Please contact this office if you have any questions. We are sending a copy of this letter to Mr. Joe Morrisette, Director, Office of Management and Budget, for his information.

Sincerely,

A handwritten signature in black ink, appearing to read 'JB', with a long horizontal stroke extending to the right.

John Bjornson
Director

JB/JJB

Enc.

cc: Mr. Joe Morrisette
Ms. Leslie Metheney

July 31, 2020

John Bjornson
Vonette Richter
North Dakota Legislative Council
State Capitol, 600 East Boulevard
Bismarck, ND 58505

Dear John & Vonette:

I am pleased to provide the following estimated prices for the North Dakota Century Code 2021-2022 upkeep service. The following prices reflect slight increases from the pricing levels offered for 2019-2020. The cost of production has increased over the past two years and although the Producer Price Index for Book Publishers has risen almost 13% over the last two years, I have kept the requested increases significantly lower than that amount.

As requested, I have included the base estimates on options for four or five replacement volumes in the two-year period.

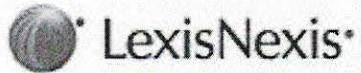
Cumulative Supplement The price of the 2021 Supplement will depend on the number of volumes replaced. If five volumes are replaced, the price of the Supplement is \$179.00. If four volumes are replaced, the price of the Supplement is \$200.45.

Index The price of the Index will be \$67.75 with the publication of five Replacement volumes. The price increases to \$71.75 with four Replacement volumes.

Replacement Volumes Our recommendation is for the replacement of five volumes, two in one year and three in the next. After consulting with our editorial department, our recommendation is to replace Volume 2A (2012 volume with 247 page supp); Volume 2C (2012 volume with 155 page supp); Volume 6 (2010 volume with 149 page supp); Volume 8A (2006 volume with 153 page supp) and Volume 10B (2014 volume with 227 page supp.) If five volumes are replaced, the price for each copy of each replacement volume will be \$51.45. If four volumes are replaced, the price for each copy of each replacement volume will be \$53.80.

Package Prices For comparison purposes, the various options with prices and the total package price of Supplement, Replacement Volumes and Index are as follows:

<u>Option</u>	<u>No. Repl. Vols.</u>	<u>Price of Supp.</u>	<u>Price of Volumes</u>	<u>Price of Index</u>	<u>Total</u>	<u>Increase</u>
1	5	\$179.00	\$51.45	\$67.75	\$504.00	5.0 %
2	4	\$200.45	\$53.80	\$71.75	\$487.40	5.5%



Court Rules Volumes and Supplements. The next edition of the Court Rules volume is currently scheduled for publication in early 2022. The price of that edition will be \$54.00, a 5% increase in the price of \$51.75 from the 2020 Edition. The first two supplements to the 2020 Edition will increase to \$14.00 and \$14.50 respectively.

Government Discount We will continue to offer state government subscribers a 25% discount on its purchases of the North Dakota Century Code for the 2021 - 2022 biennium.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Leslie Metheney".

Leslie Metheney
Director
Government Content Acquisition